

**Important Information
Regarding
The Section 125 Pre-Tax Insurance Premium Plan**

- 1. Elections made under the Plan are irrevocable during the Plan Year except at the time of a qualifying event.** Employees who experience a qualifying event and want to change their election must do so within 30 days of the qualifying event.
(Examples of a qualifying event include change in marital status, birth or death of a spouse or dependent, change in employment status of the employee or spouse, or other such events that the Plan Administrator determines will permit a change or revocation of an election.)

If you have any questions regarding what constitutes a qualifying event, contact the Human Resources Department.

- 2. Employees with Medical/Dental Insurance:**

If you participate in the medical/dental Pre-Tax Plan your premiums will be deducted automatically from your gross pay before taxes. Since you will not be subject to income tax on the gross pay equivalent to premium deductions, you may not claim these premiums as a deduction when filing your federal income tax form.

If you waive participation in the medical/dental Pre-Tax Plan, you will pay federal and state income taxes on the portion of your salary which pays for your insurance premiums. You may claim your insurance premiums as a deduction, subject to the applicable limitations, when filing your federal income tax form.

- 3. Employees with Long-Term Disability Insurance:**

If you participate in the disability Pre-Tax Plan, you will not pay taxes on your monthly premium payments; however, any benefits you receive from your disability insurance in the future will be taxed.

If you waive participation in the disability Pre-Tax Plan, your premium payment will be subject to federal and state income tax; however, any future disability benefits will not be taxed.

- 4. Effect on Pension Earnings**

If you are a member of the Concord Retirement System, please note that participation in the Pre-Tax Plan does not lower your creditable earnings. Pension deductions are taken on regular earnings before subtraction of Section 125 Pre-Tax Insurance Premium deductions.